

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

THE GREAT WEST FELT COMPANY, LIMITED

Incorporated under The Companies Act (Ontario) by Letters Patent dated 16th July, 1910,
as amended by Supplementary Letters Patent dated 19th February, 1947

25,000 CONVERTIBLE PREFERENCE SHARES OF NO NOMINAL OR PAR VALUE
60,000 COMMON SHARES OF NO NOMINAL OR PAR VALUE

CAPITAL SECURITIES

STOCK	Number of Shares Authorized	Number of Shares Outstanding	Number of Shares to be Listed
Convertible preference shares of no nominal or par value	25,000	25,000	25,000
Common shares of no nominal or par value.....	60,000	35,000	60,000
FUNDED DEBT—None			

Elmira, Ontario, March 20th, 1947.

1. THE GREAT WEST FELT COMPANY, LIMITED (hereinafter referred to as the "Company") hereby makes application for the listing on The Toronto Stock Exchange of Twenty-five Thousand (25,000) convertible preference shares of no nominal or par value of the capital stock of the Company (hereinafter referred to as "preference shares") and Sixty Thousand (60,000) common shares of no nominal or par value of the capital stock of the Company (hereinafter referred to as "common shares"). All of the said preference shares and Thirty-five Thousand (35,000) of the said common shares are issued and outstanding as fully paid and non-assessable; the remaining Twenty-five Thousand (25,000) common shares being reserved for issue upon the conversion of the said preference shares.

2. HISTORY

The Company was incorporated under the Laws of the Province of Ontario by Letters Patent dated the 16th day of July, 1910, which said Letters Patent were amended by Supplementary Letters Patent dated the 19th day of February, 1947, containing broad charter powers which among other things authorized the carrying on of the business and operations hereinafter referred to.

3. NATURE OF BUSINESS AND NUMBER OF EMPLOYEES

For the past thirty-six years the Company has carried on the business of manufacturing felt, felt footwear and other felt products at its head office and factory in the Town of Elmira, Ontario. The plant at Elmira is a complete manufacturing unit being of brick construction with over Forty-six Thousand (46,000) square feet of floor space. This plant has been kept in a good state of repair and modernized from time to time. In May, 1945, the management of the Company was taken over by Mr. Leslie A. Dunbar of Kitchener, Ontario, in the capacity of President and General Manager and in such management he has the assistance of men who have been closely connected with the felt and felt shoe industry for many years. Under Mr. Dunbar's management a branch plant was established at Listowel, Ontario, which houses the Company's Export Department. The Company at present employs some Two Hundred and Seventy persons and a further increase in employment is expected. An independent appraisal as of 31st December, 1946, prepared by Dominion Appraisal Company Limited, appraised the depreciated value of the Company's buildings and equipment at over Three Hundred and Fifty-four Thousand Dollars (\$354,000.00). The buildings and contents are insured for over Five Hundred and Eighty-five Thousand Dollars (\$585,000.00).

Sales promotion includes catalogue advertising, national trade papers and national consumer advertising. The product is marketed direct to Retailers and Mail Order houses, also sold through Wholesalers and Jobbers in Canada from coast to coast. Last year arrangements were completed with a leading Mail Order house in the United States for distribution in that country. The volume of business resulting from these outlets has demonstrated the consumer's ready acceptance of the product.

The Company's business is expanding both in the domestic and export fields. The orders on hand should increase this year's sales over 1946. With alterations being completed and additional equipment at present being installed, it is anticipated that production will be increased this year.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

4. INCORPORATION AND CAPITAL CHANGES

The Company was incorporated as a public company under the Laws of the Province of Ontario by Letters Patent dated 16th July, 1910, with an authorized capital of Two Hundred Thousand Dollars (\$200,000.00) divided into Two Thousand (2,000) shares of a par value of One Hundred Dollars (\$100.00) each. By Supplementary Letters Patent dated 19th February, 1947, One Thousand and Eighty-five (1,085) shares then issued and outstanding were converted into Twenty-two Thousand (22,000) preference shares without any nominal or par value and the remaining unissued Nine Hundred and Fifteen (915) shares were converted into Sixty Thousand (60,000) common shares without any nominal or par value, and by said Supplementary Letters Patent Three Thousand (3,000) additional preference shares without any nominal or par value were created. The present capital stock of the Company is therefore comprised of Twenty-five Thousand preference shares without any nominal or par value and Sixty Thousand common shares without any nominal or par value.

5. NO PERSONAL LIABILITY—OPINION OF COUNSEL

All the shares in the capital stock of the Company issued and outstanding are fully paid up and non-assessable and no personal liability attaches to the ownership thereof.

The opinion of Messrs. Aylesworth, Garden, Stuart & Thompson, Barristers and Solicitors, 67 Yonge Street, Toronto, Ontario, as to the legality of the organization of the Company, as to the validity of securities and that the securities are fully paid and non-assessable is on file with The Toronto Stock Exchange.

Hamilton J. Stuart, K.C., member of the said firm of Aylesworth, Garden, Stuart & Thompson, is a Director of The Great West Felt Company, Limited.

6. SHARE ISSUES DURING PAST TEN YEARS

No shares of the Company have been issued since December 31, 1936, except that subsequent to the issuance of Supplementary Letters Patent dated 19th February, 1947 (see item 3 above), the following shares have been issued:

Date	Number and Class of Shares	Amount Realized	
		Per Share	Total
Feb. 19, 1947	6 Common	\$ 1.00	\$ 6.00
Mar. 20, 1947	34,994 Common	1.00	34,994.00
Mar. 20, 1947	3,000 Preference	10.00	30,000.00

7. STOCK PROVISIONS AND VOTING POWERS

The holders of the preference shares are entitled to dividends as and when declared by the Board of Directors at the rate of Fifty Cents (50c) per share per annum payable quarterly; are preferred as to such dividends and up to Ten Dollars (\$10.00) per share with unpaid preferential dividends upon liquidation, dissolution, winding up or other distribution of assets; are convertible up to 31st December, 1949, and under certain circumstances thereafter, into common shares at the rate of One common share for each preference share; are subject to purchase for cancellation on the market or by invitation for tenders at prices not exceeding Ten Dollars (\$10.00) per share plus cost of purchase plus accrued dividends and are subject to restrictions set forth in the said Supplementary Letters Patent. The holders of the said preference shares are not entitled to vote unless eight quarterly dividends are unpaid, but may vote in such matters as affect the rights of the holders of the said preference shares as more particularly set forth in the said Supplementary Letters Patent.

No dividend shall be paid on any common share unless all dividends on the preference shares accrued up to the date of such dividend on any common share have been paid or provided for. The Company is not permitted to pay dividends on any common share unless, after providing for such dividend on the common shares, the net tangible assets as defined shall exceed an amount equal to \$10.00 multiplied by the number of preference shares then issued and outstanding and the net current assets as defined shall exceed \$150,000.00.

A complete statement of the preference share provisions is contained in the Supplementary Letters Patent dated 19th February, 1947, a copy of which has been filed with The Toronto Stock Exchange.

8. DIVIDEND RECORD

The following is a statement of the dividends paid by the Company each year for the past ten (10) years:

Year	Rate	Amount
1937	25%	\$27,125.00
1938	20%	21,700.00
1939	45%	48,825.00
1940	45%	48,825.00
1941	20%	21,700.00
1942	20%	21,700.00
1943	20%	21,700.00
1944	20%	21,700.00
1945	237%	257,145.00
1946	27½%	29,837.50
1947 (up to date).....		43,400.00

The quarterly payments of dividends on the preference shares referred to in paragraph 7 hereof are payable on the first day of January, April, July and October as stated in said paragraph.

9. RECORD OF PROPERTIES

The Company's main plant is located on Arthur Street in the Town of Elmira. The factory building is owned by the Company, free from encumbrances, is of brick construction and in good state of repair. The Elmira factory building contains about 46,000 square feet of floor space. The Company also operates in a plant on leasehold property in Listowel, Ontario, such plant having about 7,000 square feet of floor space.

10.

SUBSIDIARY COMPANIES

The Company has no subsidiary companies.
11.

FUNDED DEBT

The Company has no funded debt.
12.

OPTIONS, UNDERWRITINGS, ETC.

There are no outstanding option, underwriting, sale agreement or other contract or agreement of like nature with respect to any unissued shares or issued shares held for the benefit of the Company.
13.

LISTING ON OTHER STOCK EXCHANGES

No shares of the Company are listed on any other Stock Exchanges.
14.

STATUS UNDER SECURITY ACT

On the 11th day of March, 1947, the Registrar of Ontario Securities Commission issued an official receipt for the material required to be filed under The Securities Act (1945) of Ontario.
15.

FISCAL YEAR

The fiscal year of the Company ends on the 31st day of December.
16.

ANNUAL MEETING

The Annual Meeting of the Company is held at such place and time and on such day in each year as the Board of Directors may by resolution determine. The last Annual Meeting was held on February 7, 1947.
17.

HEAD OFFICE

The Head Office of the Company is at Elmira, Ontario.
18.

TRANSFER AGENT

The transfer agent of the Company is Montreal Trust Company, Toronto and Montreal.
19.

TRANSFER FEES

No transfer fee is charged upon the transfer of the Company's shares other than the customary Government stock transfer taxes.
20.

REGISTRAR

The registrar of the Company is Montreal Trust Company, Toronto and Montreal.
21.

AUDITORS

The auditors of the Company are Messrs. Wright, Pounder & Company, Corporate Accountants, 66 King Street East, Hamilton, Ontario.
22.

OFFICERS

Leslie A. Dunbar.....*President and General Manager*.....257 Weber St. East, Kitchener, Ont.

Carl M. Dare.....*Vice-President and Treasurer*.....72 Brock St., Kitchener, Ont.

Allen O. Shurly.....*Secretary*.....57 King St., Elmira, Ont.
23.

DIRECTORS

Leslie A. Dunbar.....Executive257 Weber St. East, Kitchener, Ont.

Carl M. Dare.....Manufacturer.....72 Brock St., Kitchener, Ont.

Allen O. Shurly.....Executive.....57 King St., Elmira, Ont.

Hamilton J. Stuart, K.C.....Barrister.....10 Glengowan Rd., Toronto, Ont.

William H. Hamblin.....Manufacturer.....Sterling Ave., Kitchener, Ont.

David R. Dattels.....Investment Dealer.....100 Alma St., Kitchener, Ont.
24.

CERTIFICATE

Pursuant to resolution passed by the Board of Directors, the applicant company hereby applies for a listing of the above mentioned securities on The Toronto Stock Exchange and the undersigned officers thereof certify that the statement and representations made in this application and the documents submitted in support thereof are true and correct.

THE GREAT WEST FELT COMPANY, LIMITED

"C. M. DARE," *Vice-President.*

"A. O. SHURLY," *Secretary.*

DISTRIBUTION OF CONVERTIBLE PREFERENCE STOCK

as of March 26, 1947

Number				Shares
94	Holders of	1 - 100	share lots.....	6,185
8	" "	101 - 200	" ".....	1,500
2	" "	201 - 300	" ".....	600
0	" "	301 - 400	" ".....	—
0	" "	401 - 500	" ".....	—
4	" "	501 - 1000	" ".....	2,700
5	" "	1001 - up	" ".....	14,015
113 Stockholders				Total shares..... 25,000

DISTRIBUTION OF COMMON STOCK as of April 23, 1947

Number				Shares
187	Holders of	1 - 100	share lots.....	2,260
2	" "	101 - 200	" ".....	235
5	" "	201 - 300	" ".....	1,226
0	" "	301 - 400	" ".....	0
1	" "	401 - 500	" ".....	408
1	" "	501 - 1000	" ".....	577
1	" "	1001 - up	" ".....	30,294
197 Stockholders				Total shares..... 35,000

FINANCIAL STATEMENTS

THE GREAT WEST FELT COMPANY, LIMITED

BALANCE SHEET

as at December 31, 1946

ASSETS

CURRENT:

Cash on Hand.....	\$	230.00	
Bills Receivable.....	\$	42,235.72	
Accounts Receivable.....		92,312.53	
		<u>\$134,548.25</u>	
Less Reserve for Losses.....		2,615.27	
			\$131,932.98
Returnable Containers on Hand.....			192.25
Inventory of Raw Materials, Work in Process and Finished Goods as determined and certified by the management, valued at lower of cost or market.....			<u>150,428.36</u>
			\$282,783.59

PREPAID EXPENSES.....

3,967.33

*INVESTMENTS (at cost):

60 Class "B" preference shares of United Fuel Investments, Limited.....	\$	1,500.00	
200 Class "B" shares of Riverside Silk Mills Limited.....		2,640.00	
			<u>4,140.00</u>

FIXED:

Land, Buildings, Machinery and Equipment, Patterns and Lasts (at depreciated values, as determined by Dominion Appraisal Company, Limited, in accordance with certificate dated December 31, 1946).....			\$354,820.23
Automobile (at cost).....	\$	3,944.20	
Less Reserve for Depreciation.....		450.00	
			<u>3,494.20</u>
			358,314.43

REFUNDABLE PORTION OF EXCESS PROFITS TAX.....

7,218.92

INTANGIBLE:

Trademarks.....			100.00
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\$656,524.27

*Quoted Value, December 31, 1946,\$4,345.00

LIABILITIES

CURRENT:

Bank Overdraft.....	\$	20,326.12	
Bank Loan (secured).....		60,000.00	
Bills Payable.....		3,225.27	
Accounts Payable.....		35,847.32	
Customers' Credit Balances.....		9,868.23	
Accrued Accounts.....		16,798.65	
Provision for Income and Excess Profits Taxes.....	\$	52,756.74	
Less Instalment Payments and Other Credits.....		7,820.33	
			<u>44,936.41</u>
			\$191,002.00

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized:
\$200,000.00, divided into 2,000 common shares with a par value of \$100.00 each.
Issued and Fully Paid:
1,085 shares.....

\$108,500.00

EARNED SURPLUS (which includes Refundable Portion of Excess Profits Tax).....

46,997.97

UNREALIZED CAPITAL SURPLUS (being excess of appraised value of fixed assets over depreciated cost value thereof).....

310,024.30

465,522.27

\$656,524.27

AUDITORS' REPORT

To the Directors of

The Great West Felt Company, Limited.

We have examined the books and accounts of The Great West Felt Company, Limited, for the year ended December 31, 1946, and report that all our requirements as auditors have been complied with. Provision for Income and Excess Profits Taxes, and the refundable portion of Excess Profits Tax, have been calculated on the basis of existing legislation, but have not yet been confirmed by the taxing authorities.

Subject to the foregoing comments, we report that in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at December 31, 1946 (after giving effect to the appraisal of its fixed assets at that date).

Respectfully submitted,

(Signed) WRIGHT, POUNDER & CO.,

Hamilton, Ontario, February 17, 1947.

Corporate Accountants.

THE GREAT WEST FELT COMPANY, LIMITED

PRO FORMA BALANCE SHEET

as at December 31, 1946

After giving effect as at that date to the following:

- (a) The declaration and payment of a dividend of \$40.00 per share on the 1,085 then issued and fully-paid common shares of the Company (which are the 1,085 common shares converted into 22,000 Cumulative Convertible Non-Callable Preference Shares without nominal or par value, as described in (b) hereunder).
- (b) The granting of Supplementary Letters Patent dated February 19th, 1947:
 - (i) converting the issued 1,085 Common Shares with a par value of \$100.00 each, into 22,000 Cumulative Convertible Non-Callable Preference Shares without nominal or par value;
 - (ii) converting the authorized and unissued 915 Common Shares with a par value of \$100.00 each into 60,000 Common Shares without nominal or par value;
 - (iii) creating 3,000 new Cumulative Convertible Non-Callable Preference Shares without nominal or par value.
- (c) The sale by the Company of 3,000 Cumulative Convertible Non-Callable Preference Shares without nominal or par value and 35,000 Common Shares without nominal or par value for a total consideration of \$65,000.00.
- (d) The appraisal of the Company's fixed assets (other than automobile) carried out by Dominion Appraisal Company Limited as of December 31, 1946.

ASSETS

CURRENT:

Cash and Bank Balances.....	\$ 1,503.88	
Bills Receivable.....	\$ 42,235.72	
Accounts Receivable.....	92,312.53	
	<u>\$134,548.25</u>	
Less Reserve for Losses.....	2,615.27	
		131,932.98
*Marketable Securities (at cost).....		4,140.00
Returnable Containers on Hand.....		192.25
Inventory of Raw Materials, Work in Process, and Finished Goods as determined and certified by the management, valued at lower of cost or market.....		<u>150,428.36</u>
		\$288,197.47
PREPAID EXPENSES.....		3,967.33
REFUNDABLE PORTION OF EXCESS PROFITS TAX.....		<u>7,218.92</u>

FIXED:

Land, Buildings, Machinery and Equipment, Patterns and Lasts (at depreciated values, as determined by Dominion Appraisal Company Limited, in accordance with certificate dated December 31, 1946).....	\$354,820.23	
Automobile (at cost).....	\$3,944.20	
Less Reserve for Depreciation.....	<u>450.00</u>	
		3,494.20
		358,314.43

INTANGIBLE:

Trademarks.....		100.00
		<u>\$657,798.15</u>

*Quoted Market Value, December 31, 1946—\$4,345.00

LIABILITIES

CURRENT:

Bank Loan (secured).....	\$ 60,000.00	
Bills Payable.....	3,225.27	
Accounts Payable.....	35,847.32	
Customers' Credit Balances.....	9,868.23	
Accrued Accounts.....	16,798.65	
Provision for Income and Excess Profits Taxes.....	\$52,756.74	
Less instalment payments and other credits.....	<u>7,820.33</u>	
		44,936.41
		\$170,675.88

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized:

25,000 cumulative convertible non-callable preference shares without nominal or par value, with an annual fixed cumulative preferential dividend of 50c each, together with a priority equal to \$10.00 per share on any liquidation, dissolution, or winding-up of the Company, and 60,000 common shares without nominal or par value.

Issued and Fully Paid Up:

25,000 preference shares..... \$138,500.00
 35,000 common shares..... 35,000.00

\$173,500.00
 3,597.97

EARNED SURPLUS.....

UNREALIZED CAPITAL SURPLUS (being excess of appraised value of fixed assets over depreciated cost value thereof).....

310,024.30
487,122.27
\$657,798.15

AUDITORS' REPORT

To the Directors of

The Great West Felt Company, Limited,

We have examined the books and accounts of The Great West Felt Company, Limited, and the above Pro Forma Balance Sheet of the Company as at December 31, 1946. Provision for Income and Excess Profits Taxes and the Refundable Portion of Excess Profits Tax, have been calculated on the basis of existing legislation, but have not yet been confirmed by the taxing authorities.

Subject to the foregoing comments, we report that, in our opinion, the above Pro Forma Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at December 31, 1946, after giving effect to the adjustments set forth therein, according to the best of our information and the explanations given to us.

Respectfully submitted,

(Signed) WRIGHT, POUNDER & CO.,

Hamilton, Ontario, February 20, 1947.

Corporate Accountants.

THE GREAT WEST FELT COMPANY, LIMITED STATEMENT OF EARNINGS (Years ended December 31, 1934 to December 31, 1946, Inclusive)

Year Ended December 31	Profits from Operations and Return from Investments Before Depreciation and Taxes on Income	Provision for Depreciation on Fixed Assets (at Rates Approved by the Taxation Authorities, based on Cost Values)	Total Earnings Before Taxes on Income	Provision for Taxes on Income at Rates Applicable in the Respective Years including the Refundable Portion Thereof	Net Earnings
1934	\$ 38,420.37	\$ 3,133.73	\$ 35,286.64	\$ 5,007.22	\$ 30,279.42
1935	32,916.34	3,176.00	29,740.34	5,109.06	24,631.28
1936	37,842.02	3,546.45	34,295.57	5,309.10	28,986.47
1937	35,599.13	3,587.30	32,011.83	5,376.02	26,635.81
1938	15,051.36	3,328.00	11,723.36	1,776.18	9,947.18
1939	22,674.65	2,652.00	20,022.65	3,699.70	16,322.95
1940	39,737.90	2,646.00	37,091.90	15,483.43	21,608.47
1941	42,369.50	2,685.00	39,684.50	12,459.54	27,224.96
1942	53,985.13	2,605.99	51,379.14	27,584.65*	23,794.49
1943	47,244.25	2,326.30	44,917.95	23,804.79*	21,113.16
1944	52,162.96	1,793.00	50,369.96	29,183.53*	21,186.43
1945	35,427.07	1,828.98	33,598.09	13,169.92*	20,428.17
1946	105,275.22	5,904.36	99,370.86	52,756.74	46,614.12
	\$558,705.90	\$39,213.11	\$519,492.79	\$200,719.88	\$318,772.91

*The provision for taxes includes the refundable portion of Excess Profits Tax in the amount of \$1,863.63 for 1942, \$2,137.22 for 1943, \$3,210.40 for 1944, and \$7.67 for 1945.

To the Directors of


The Great West Felt Company, Limited.

We have examined the above Statement of Earnings of The Great West Felt Company, Limited, for the fiscal years ended December 31, 1934 to 1946 inclusive, and report that, in our opinion, the earnings of the Company for the periods shown above were not less than the amounts indicated.

(Signed) WRIGHT, POUNDER & CO.,

Hamilton, Ontario, February 20, 1947.

Corporate Accountants.



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